

FINANCE

WINNERS FOR THE WEEK ▲

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 6/2	PRICE 6/9	CHANGE
Popular Inc.	BPOP	26.72	45.96	37.38	39.69	2.31
OFG Bancorp	OFG	7.60	14.48	9.25	10.35	1.10
First BanCorp	FBP	3.59	7.05	5.24	5.74	0.50

LOSERS FOR THE WEEK ▼

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 6/2	PRICE 6/9	CHANGE
Evertec Inc.	EVTC	14.15	18.60	16.75	16.45	-0.30
Triple-S Management Corp.	GTS	15.81	26.86	16.95	16.94	-0.01

U.S. STOCKS

	M	T	W	TH	F
DOW	-0.10%	-0.23%	0.18%	0.04%	0.42%
S&P	-0.13%	-0.15%	0.05%	0.02%	-0.08%
NASDAQ	-0.09%	-0.30%	0.28%	0.09%	-2.46%

U.S. FUELS AVERAGE PRICE June 5

Regular Gasoline	\$2.414
Premium Gasoline	\$2.906
Diesel	\$2.564

EUR/USD

	M	T	W	TH	F
OPEN	1.1277	1.1251	1.1275	1.1255	1.1213
CLOSE	1.1255	1.1278	1.1257	1.1214	1.1196

USD/JPY

	M	T	W	TH	F
OPEN	110.34	110.44	109.41	109.80	109.99
CLOSE	110.47	109.41	109.81	110.00	110.34

Think Strategically: The Lion's Den & the Path Between the Seas

BY FRANCISCO RODRÍGUEZ-CASTRO
frc@birlingcapital.com

THE LION'S DEN

The much-awaited testimony from former FBI Director James Comey before the Senate Intelligence Committee has occurred and, in conclusion, the testimony revealed little new information from Comey and inflicted some more damage to the president's reputation. However, Comey's own admission of leaking conversations between the president and himself erases some of Comey's credibility.

Both sides of the aisle spun the hearings in their own ways and some we have already heard. However, the saga of Russia's alleged intervention into the U.S. presidential election will have consequences for some and, already, the impact on the president and his economic and policy agenda is very significant. With three congressional and ongoing FBI investigations, at the very least, they are a disruption on a larger scale. Although these investigations are confidential,

there is little doubt the president will continue to tweet on the subject.

Another issue that has captured headlines is the Choice Act, a comprehensive bill to revise and repeal some of the provisions of the Dodd-Frank Act, which would allow other financial reforms and the erasure of some of the post-2008 rules and regulations that have governed the financial industry since the crash. The act, however, will face opposition in the Senate, where reform efforts will focus on relief for community banks, a topic on which the Senate Banking Committee has been working.

As the mountain of issues continues, some have argued that to provide some traction for the president's economic agenda, it may take something dramatic to force Congress to focus on this matter—events such as a drastic stock-market drop or a major conflict come to mind. With the Dow Jones Industrial Average closing June 9 at 21,271.97, up 89.44 for the week, a sharp drop of 2,000 points will force Congress

to focus on tax reform, infrastructure and improvements to the economy. Let us hope it does not come to that.

P.R. UPDATE-THE PATH BETWEEN THE SEAS

“The Path Between the Seas: The Creation of the Panama Canal,” is a fantastic book written by the Americas' most treasured historian, David McCollough, in which he tells the story of the construction of the Panama Canal, the failure by the French and ultimate success of the U.S. Americans, with many troubles and challenges to conceptualize and open the canal. Well, in Puerto Rico, we have a similar “path between the seas.” Our government has claimed the use of sales-tax revenue in escrow at the Bank of N.Y.-Mellon and is

attempting to fund government operations. The larger divide created by the GO (general obligation) and Cofina (Sales Tax Financing Corp.) bondholders, which have a large legal dispute at the center of Title III bankruptcy proceedings.

The Financial Oversight & Management Board (FOMB), which is spearheading Puerto Rico's \$73 billion debt restructuring, has requested that Judge Laura Taylor Swain allow the FOMB to hire independent agents to help litigate the dispute over who owns the cash in escrow at BNY-Mellon, which is a product of Cofina revenues.

Ultimately, Judge Taylor Swain will be the one to decide the legitimate owner of the \$400 million in escrow. If the judge decides against the government, Puerto Rico will face a liquidity issue of dramatic proportions and, with the GOs and Cofina being 55% of the government's total debt, the consequences will be profound.

FINAL WORD

As I am writing this column, the results of Puerto Rico's plebiscite last Sunday, June 11, are

coming in, with a 97% majority of the voters selecting statehood. I wondered what impact, if any, the Puerto Rican migration had on these results and, with the initial review, we found the following data. In the 1993 plebiscite, there was a population of 3.6 million Puerto Ricans, and during that vote, 788,296 chose statehood. In the 2017 plebiscite, the population was 3.4 million Puerto Ricans and statehood obtained 502,616 votes. My only thought for all our loved ones who left Puerto Rico in search of a better life is this message: “Where we love is Home... Home that our feet may leave...but never our hearts,” quoted from Supreme Court Justice Oliver Wendell Holmes Jr. ■

Francisco Rodríguez-Castro, president & CEO of Birling Capital with over 25 years of experience, has been a key executive in government, global, multinational and public companies as well as a key corporate adviser to multiple entities in a diverse array of market segments. He has participated in structuring over \$10 billion in municipal finance, corporate, commercial, asset-based, P.R. Industrial, Tourism, Educational, Medical & Environmental Control Facilities Financing Authority (Afica), and mergers & acquisitions transactions.

IPO Calendar (Trade Date Estimate: Week of June 15, 2017)

Company	Ticker	Deal Size
Athenex	ATNX	\$72M
Boston Omaha Corp.	BOMN	\$72M
Avenues Therapeutics	ATXI	\$50M